

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE FUND
and
INDIGENT TRANSCRIPT FUND
December 31, 2011

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND**

Jennings, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2011

TABLE OF CONTENTS

	<u>Statement</u>	<u>Schedule</u>	<u>Page</u>
Independent Accountant's Review Report	-	-	1-2
Basic Financial Statements:			
Government-wide Financial Statements (GWFS)			3
Statement of Net Assets	A	-	4
Statement of Activities	B		5
Fund Financial Statements (FFS)			6
Governmental Funds Balance Sheet	C		7
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	D	-	8
Notes to the Basic Financial Statements	-	-	9-19
Required Supplemental Information			20
Budgetary Comparison Schedule-Judicial Expense Fund (Non-GAAP Budgetary Basis)	-	1	21
Budgetary Comparison Schedule-Indigent Transcript Fund (Non-GAAP Budgetary Basis)		2	22
Notes to Budgetary Comparison Schedules	-	-	23-24
Other Reports:			25
Independent Accountant's Report on Applying Agreed-Upon Procedures			26-28
Louisiana Attestation Questionnaire			29-30
Management's Schedule of Prior Year Findings	-	-	31
Schedule of Current Year Findings and Responses	-	-	32
Management's Corrective Actions Plan for Current Year Findings	-	-	33

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Honorable Steve Gunnell
Thirty-First Judicial District Court
Judicial Expense & Transcript Fund
Jennings, Louisiana

I have reviewed the accompanying financial statements of the governmental activities and each major fund of the Thirty-first District Court Judicial Expense and Indigent Transcript Fund (District Court Expense Fund), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the District Court Expense Fund's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District Court Expense Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

The management of the District Court Expense Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles in the United States of America.

The budgetary comparison information on pages 21-24, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

Management has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 29, 2012 on the results of my agreed-upon procedures.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana

June 29, 2012

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND
Statement of Net Assets
December 31, 2011**

Statement A

ASSETS

Cash	\$ 453,725
Receivables:	
Due from other governments -fees & fines	35,084
Capital assets, net of accumulated depreciation	10,966
Total Assets	<u>499,775</u>

LIABILITIES

Liabilities:	
Accounts payable	33,940
Payroll taxes payable	3,041
Total Liabilities	<u>36,981</u>

NET ASSETS

Invested in capital assets, net of related debt	10,966
Unrestricted	451,828
Total Net Assets	<u>\$ 462,794</u>

See accompanying notes and accountant's report.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND**

Statement of Activities

For the Year Ended December 31, 2011

Statement B

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental activities:				
Judicial expense	166,483	88,033	126,262	47,812
Indigent transcript	68,406	72,426		4,020
Total Governmental Activities	<u>234,889</u>	<u>160,459</u>	<u>126,262</u>	<u>51,832</u>
General revenues:				
Interest and investment earnings				189
Miscellaneous				9,416
Total general revenues				<u>9,605</u>
Changes in net assets				61,437
Net assets -beginning				401,358
Net assets -ending				<u>\$ 462,795</u>

See accompanying notes and accountant's report..

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND
Governmental Funds Balance Sheet
December 31, 2011**

Statement C

	Judical Expense Fund	Indigent Transcript Fund	Total
ASSETS			
Cash	\$ 256,957	196,768	453,725
Receivables:			
Due from other governments -fees & fines	30,474	4,610	35,084
Total Assets	<u>287,431</u>	<u>201,378</u>	<u>488,809</u>
LIABILITIES			
Liabilities:			
Accounts payable	33,940	-	33,940
Payroll taxes payable	3,041	-	3,041
Total Liabilities	<u>36,981</u>	<u>-</u>	<u>36,981</u>
FUND BALANCE			
Unassigned	250,450	201,378	451,828
Total Fund Balance	<u>250,450</u>	<u>201,378</u>	<u>451,828</u>

See accompanying notes and accountant's report.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND**

**Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances**

For the Year Ended December 31, 2011

Statement D

	Judical Expense Fund	Indigent Transcript Fund	Total
REVENUES			
Fines and fees	\$ 88,033	72,426	160,459
Intergovernmental:			
State -FINS Program	26,250	-	26,250
Police Jury-reimbursements	100,012	-	100,012
Interest earned	94	95	189
Miscellaneous	9,416	-	9,416
Total Revenues	<u>223,805</u>	<u>72,521</u>	<u>296,326</u>
EXPENDITURES			
Current:			
Personal services and related benefits	36,125	-	36,125
Operating services:			
Transcription services	-	62,089	62,089
Other	52,061	3,740	55,801
Materials and supplies	35,631	-	35,631
Travel and other charges	11,074	2,577	13,651
Intergovernmental reimbursements:			
Reimbursements Criminal Court expenses	25,746	-	25,746
Reimbursements Criminal Court reporter salary	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>160,637</u>	<u>68,406</u>	<u>229,043</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	63,168	4,115	67,283
FUND BALANCE / NET ASSETS:			
Beginning of the Year	187,282	197,263	384,545
End of the Year	<u>\$ 250,450</u>	<u>201,378</u>	<u>451,828</u>

See accompanying notes and accountant's report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

INTRODUCTION

The Thirty-First Judicial District Court Indigent Transcript Fund and Judicial Expense Funds (District Court Expense Fund) were created pursuant to LSA-RS 13:985, 985.1 and 996.58. The Indigent Transcript Fund and Judicial Expense Fund were established to deposit fines and fees collected under the provisions of these sections. The purpose of these funds is to pay the salary of the District Court reporter, administrative costs, or other expenses allowed by statute as deemed necessary by the district judge.

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District Court Expense Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Judge of the District Court Expense Fund is an independently elected official; however, the Court is fiscally dependent on the Jefferson Davis Parish Police Jury. The Police Jury maintains and operates the parish court house in which the Court is located and provides funds for equipment and furniture of the office. Because the Court is fiscally dependent on the Police Jury, the Court was determined to be a component unit of the Jefferson Davis parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the Judicial Expense and Indigent Transcript Funds maintained by the Judge relative to his responsibility under LSA-RS 13:985, 985.1, and 996.58 and do not present information on the Criminal Court Fund or on the Police Jury or the general governmental services provided by that governmental unit that comprises the financial reporting entity.

C. FUND ACCOUNTING

The District Court Expense Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

Governmental Funds

Governmental funds account for all of the District Court Expense Fund's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the court. The following are the District Court Expense Fund's governmental funds:

Judicial Expense Fund – used to account for court fees assessed pursuant to L.R.S. 13:996.58. In general, the judicial expense fund is established and may be used for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the court or the office of the individual judges and is in addition to any and all other funds, salaries, expenses, or other monies that are now or hereafter provide, authorized or established by law for any of the aforesaid purposes, except no salary shall be paid to any judge of the court.

Indigent Transcript Fund – used to account for court fees assessed pursuant to L.R.S. 13:985.1. In general, the indigent transcript fund is established and may be used to compensate criminal court reporters for preparation of all transcripts for indigent defendants, including trials, motions, hearings on writs, and all court proceedings, to compensate juvenile court reporters for the preparation of all transcripts arising from juvenile proceedings when the juvenile's parent or legal custodian or the adult, over whom the court is exercising juvenile jurisdiction, is found to be indigent in accordance with Children's Code Articles 320 and 321. In addition, the fund may use two thousand dollars for administrative purposes plus pay the cost of any audit or review of the books and accounts in accordance with the provisions of R.S. 24:513.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statement (FFS)

The amounts reflected in the Funds of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the court's operations.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**
Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

The amounts reflected in the Funds of Statements C and D use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practiced in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the month that the amounts are collected by the appropriate courts since they are measurable and available.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

Statement of Net Assets (Statement A) and Statement of Activities (Statement B) display information about the District Court Expense Fund as a whole. These statements include all the financial activities of the District Court Expense Fund. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues – Program revenues included in the Statements of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District Court Expense Fund's general revenues.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

Reconciliation

The reconciliation of the items reflected in the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Reconciliation of Total Governmental Fund Balance to Net Asset of Governmental Activities:

Total Ending Fund Balance – Governmental Fund	\$	451,828
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds as follows:

Cost of capital assets	\$ 264,321		
Accumulated depreciation	(253,355)		10,966

Net Assets	\$	<u>462,794</u>
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Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:

Total Net Change in Fund Balance – Governmental Funds	\$	67,283
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period:

Depreciation expense		(5,846)	
Capital outlays			-

Change in Net Assets of Governmental Activities	\$	<u>61,437</u>
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**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**
Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

E. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law the District Court Expense Fund may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. CAPITAL ASSETS

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court Expense Fund maintains a threshold level of \$500 or more for capitalizing capital assets. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment and furniture	5

G. COMPENSATED ABSENCES

The District Court Expense Fund does not pay vacation and sick leave to any of its employees.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**
Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

H. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted or committed. The Judge has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Government-wide Financial Statements

Equity is classified as net assets and displayed in three components:

Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

Restricted net assets – Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available for use, it is the District Court Expense Fund’s policy to use restricted resources first, then unrestricted resources as they are needed.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH

Bank Deposits

The year end balances of deposits are as follows:

Deposit Type	Bank Balances	Reported Amount
Cash –demand deposits	\$ 455,449	\$ 453,725
Totals	<u>\$ 455,449</u>	<u>\$ 453,725</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank.

Custodial credit risk is the risk that in the event of a bank failure, the District Court Expense Fund’s deposits may not be returned to it. The District Court Expense Fund’s deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

in LRS 38:1221 valued at market. As of December 31, 2011, the District Court Expense Fund had deposits (collected bank balances) totaling \$455,449. Of these bank deposit balances, \$0 was exposed to custodial credit risk.

Even though pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, *Deposits and Investment Risk Disclosures*, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Court Expense Fund that the fiscal agent has failed to pay deposited funds upon demand.

3. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning	Additions	Dispositions	Balance Ending
Office Equipment & furniture	\$ 264,321	-	-	264,321
Total	264,321	-	-	264,321
Less: accumulated depreciation	247,509	5,846	-	253,355
Capital assets, net	\$ 16,812	(5,846)	-	10,966

Depreciation expense for 2011 was \$5,846 charged to the Judicial Expense function.

5. PENSION PLAN

Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees, exclusive of the District Judge, of the District Court are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Court are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Court Expense Fund's contributions to the System under Plan A for the years ending December 31, 2011, 2010, and 2009, were \$4,879, \$4,725, and \$6,525, respectively, equal to the required contributions for each year.

6. EXPENDITURES PAID BY POLICE JURY

Certain operating expenditures of the District Court Expense Fund's office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

The District Court Expense Fund's office is located in the Jefferson Davis Parish Courthouse. The Jefferson Davis Police Jury pays for the upkeep and maintenance of the parish courthouse. These expenditures are not reflected in the accompanying financial statements.

7. LITIGATION AND CLAIMS

As of yearend, the District Court Expense Fund is not involved in any litigation and is not aware of any pending claims.

9. RISK MANAGEMENT

The District Court Expense Fund is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2011

The District Court Expense Fund does not carry commercial insurance for workers compensation liability for the portion of salaries paid by the expense fund. All other covered risks of loss are managed by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2011:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None	\$	\$	\$	\$

REQUIRED SUPPLEMENTAL INFORMATION

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND
GOVERNMENTAL FUND - JUDICIAL EXPENSE FUND
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011**

Schedule 1

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Fines and Fees	\$ 55,000	\$ 55,000	\$ 98,788	\$ 43,788
Intergovernmental:				
State -FINS Program	26,500	26,500	28,438	1,938
Police Jury-reimbursements	65,000	65,000	94,280	29,280
Interest Earned	-	-	94	94
Miscellaneous	4,200	4,200	7,996	3,796
Total Revenues	<u>150,700</u>	<u>150,700</u>	<u>229,596</u>	<u>78,896</u>
EXPENDITURES				
Personal services and related benefits	40,975	40,975	36,125	4,850
Operating services:				
Transcription services	-	-	-	-
Other	54,850	54,850	48,526	6,324
Materials and supplies	36,500	36,500	38,530	(2,030)
Travel and other charges	15,550	15,550	11,074	4,476
Intergovernmental reimbursements:				
Reimbursements Criminal Court expenses	-	-	-	-
Reimbursements Criminal Court reporter	-	-	-	-
Capital outlay	2,500	2,500	-	2,500
Total Expenditures	<u>150,375</u>	<u>150,375</u>	<u>134,255</u>	<u>16,120</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	325	325	95,341	95,016
 FUND BALANCES BEGINNING OF YEAR	 158,577	 158,577	 158,577	 -
FUND BALANCES END OF YEAR	<u>\$ 158,902</u>	<u>\$ 158,902</u>	<u>\$ 253,918</u>	<u>\$ 95,016</u>

See accountant's report.

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE
AND INDIGENT TRANSCRIPT FUND
GOVERNMENTAL FUND - INDIGENT TRANSCRIPT FUND
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2011**

Schedule 2

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Fines and Fees	\$ 65,000	\$ 65,000	\$ 77,190	\$ 12,190
Intergovernmental:				
State -FINS Program	-	-	-	-
Police Jury-reimbursements	-	-	-	-
Interest Earned	-	-	95	95
Miscellaneous	-	-	-	-
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>77,285</u>	<u>12,285</u>
EXPENDITURES				
Personal services and related benefits	6,550	6,550	-	6,550
Operating services:				
Transcription services	42,700	42,700	62,089	(19,389)
Other	-	-	3,740	(3,740)
Materials and supplies	700	700	-	700
Travel and other charges	1,400	1,400	2,577	(1,177)
Intergovernmental reimbursements:				
Reimbursements Criminal Court expenses	-	-	-	-
Reimbursements Criminal Court reporter salary	33,792	33,792	-	33,792
Capital outlay	-	-	-	-
Total Expenditures	<u>85,142</u>	<u>85,142</u>	<u>68,406</u>	<u>16,736</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(20,142)	(20,142)	8,879	29,021
 FUND BALANCES BEGINNING OF YEAR	 187,889	 187,889	 187,889	 -
FUND BALANCES END OF YEAR	<u>\$ 167,747</u>	<u>\$ 167,747</u>	<u>\$ 196,768</u>	<u>\$ 29,021</u>

See accountant's report.

THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL AND INDIGENT EXPENSE FUND
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2011

A. BUDGETARY PRACTICES

General Budget Practices The District Court Expense Fund follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the District Court Expense Fund is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the 31st District Court Expense Fund develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing, if legally required. The public hearing, if legally required, is conducted during an open meeting in order to obtain public input. The budget is subsequently adopted by the Judge.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Judge.

Budget Basis of Accounting The governmental fund budgets are prepared on the cash basis of accounting. Legally, the Judge cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Judge to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Judge approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

The following reconciles the amount shown as excess of receipts over disbursements on the non-GAAP budget Basis(pages 21 and 22), with the amount shown on the GAAP basis (page 8):

	Judicial Expense	Indigent Transcript
Excess(Deficiency) of revenues and other sources over Expenditures and other uses (Non-GAAP Budgetary Basis) page 21 and 22	\$ 95,341	8,879
Add:		
Current year receivable	30,474	4,610
Prior year payables	7,557	-
Less:		
Prior year receivables	(36,264)	(9,374)
Current year payables	(33,940)	-
Excess(Deficiency) or revenues and other sources over expenditures and other uses (GAAP Basis) page 8	\$ 63,168	4,115

See accountant's report.

THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL AND INDIGENT EXPENSE FUND**Notes to Budgetary Comparison Schedule****For the Year Ended December 31, 2011**

The reconciliation of amounts reported on page 21 and 22 as fund balance at end of year to amounts reported as fund balance on page 7 is as follows:

	Judicial Expense	Indigent Transcript
Fund balance at end of year (Non-GAAP Budgetary Basis) page 21 and 22	253,918	196,768
Revenue accruals	30,472	4,610
Expenditure accruals	(33,940)	-
Fund Balance (GAAP Basis) page 7	250,450	201,378

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
None	\$	\$	\$

Reason for unfavorable variance: Not applicable.

See accountant's report.

OTHER REPORTS

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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Phone (337) 824-7773

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Steve Gunnell
Thirty-First Judicial District Court
Judicial Expense and Indigent Transcript Fund
Jennings, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Thirty-First Judicial District Court Judicial Expense and Indigent Transcript Fund (District Court Expense Fund) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about District Court Expense Fund's compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District Court Expense Fund is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

Findings: There were no expenditures for materials and supplies which exceeded \$30,000. There were no expenditures for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Judge as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all Judges and employees, as well as their immediate families.

Findings: Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Findings: Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

Findings: None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Findings: Management provided us a copy of the 2011 original budget and final amended budget.

6. Trace the budget adoption and amendments to the minute book.

Findings: Budget adopted timely.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by more than 5%.

Findings: Actual revenues and expenditures compared to budgeted amounts did not adversely vary by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination:

- a) Trace payments to supporting documentation as to proper amount and payee;

Findings: I examined supporting documentation for each of the six selected disbursements and found that the payment was for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

Findings: All six transactions selected were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities;

Findings: Inspection of documentation supporting each of the six selected disbursements indicated approvals from the District Judge.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:2 (the open meetings law).

Findings: The Judge is an independently elected official and as such does not hold regularly scheduled open meetings.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Findings: I inspected copies of all deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

Findings: I inspected payroll records for the year and noted no instances which would indicate payments to employees which constitute bonuses, advances, or gifts.

The prior report dated June 24, 2011, included no unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Thirty-First Judicial District Court Judicial Expense and Indigent Transcript Fund and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
June 29, 2012

Thirty-First Judicial District Court Expense Fund

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Government)

Mike B Gillespie, CPA, APAC
414 Nezpieque Street
Jennings, LA 70546

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations) January 20/2.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:13.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 Judge 6-29-12 Date

**THITRY-FIRST JUDICIAL DISTRICT COURT JUDICAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

MANAGEMENTS SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2011

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

No findings reported.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

**THIRTY-FIRST JUDICIAL DISTRICT COURT JUDICIAL EXPENSE AND INDIGENT
TRANSCRIPT FUND**

Jennings, Louisiana

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES

For the Year Ended December 31, 2011

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL
STATEMENTS**

No findings reported.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2011

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

No findings reported.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT